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SUMMARY RECORD OF THE 33rd MEETING

Chairman:	Mr. GUERRERO (Vice-Chairman)	(Philippines)
later:	Mr. BALZAN (Rapporteur)	(Malta)
later:	Mr. GUERRERO (Vice-Chairman)	(Philippines)

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In the absence of Mr. Piriz-Ballon (Uruguay), Mr. Guerrero (Philippines), took the Chair

The meeting was called to order at 6.05 p.m.

AGENDA ITEM 78: DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION (continued)

(a) TRADE AND DEVELOPMENT (continued) (A/47/15, vols. I and II, A/47/312-S/24238, A/47/398 and Corr.1, A/47/410, A/47/414 and Add.1, A/47/636; A/C.2/47/3; TD/364)

1. Mr. SINGH (India) said that enhancement of the role of the United Nations in dealing with developmental issues, of which trade was one of the most important dimensions, was vital for the success of developing countries' efforts to improve the lot of their poor. Many developing countries were implementing sweeping economic reforms encompassing their trade regimes, albeit at tremendous socio-economic and political cost, in the conviction that their integration into the global economy would provide better weapons with which to fight the traditional enemies of poverty, ignorance and underdevelopment. In adopting outward-looking policies, developing countries sought to benefit from higher levels of investment and technology flows and to gain increased access to developed-country markets.

2. The trend towards protectionism in developed countries was disappointing. That weakening of the commitment to free trade was reflected in the fact that few, if any, steps had been taken to reduce the range of non-tariff barriers and the relatively high tariffs facing developing-country exports. In those circumstances, developing countries could hardly be expected to open up their own markets further or to adopt changes in their economic policies which did not take into account their stage of development.

3. Uncertainties and the threat of a trade war continued to hang over the Uruguay Round. A successful and balanced conclusion of the Round would add significantly to developing countries' export potential, particularly in the areas of textiles, agriculture and tropical products. It was thus unfortunate that those countries' concerns had been sidelined in the current impasse. If that situation continued unresolved, trends towards unilateralism, bilateralism and regionalism would become more pronounced.

4. During the Uruguay Round, his delegation had stressed the importance of the development dimension in framing the rules for the conduct of world trade. In addition to eliminating discriminatory restrictions on developing-country exports and granting preferential treatment, the rules should take into account the multitude of market distortions and imperfections facing developing-country exporters, granting them additional flexibility in the use of trade policy instruments. India attached importance to an end to restrictions on world trade in textiles and clothing, and to rapid and full restoration of application of the rules of free and non-discriminatory trade. The principle of non-discrimination must be scrupulously observed in the

(Mr. Singh, India)

development of rules of international trade. Grey areas should be brought within the purview of GATT disciplines; and anti-dumping measures - a potential protectionist tool of the future - must be eliminated. Finally, clear rules must be established for the imposition of export restrictions on high technology goods to developing countries.

5. While recognizing the importance of trade-related aspects of intellectual property rights, his delegation wished to caution against overly-ambitious standards which could suffocate innovation instead of encouraging it. Arrangements should take into account developing countries' concerns regarding development and public policy objectives. In the area of trade in services, industrialized countries should take account of the comparative advantage of developing countries, inter alia, in the temporary movement of labour for the supply of services.

6. Conclusion of the negotiations on the international code of conduct on the transfer of technology would be beneficial to all countries. The negotiations should be guided by the developmental dimension of transfer of technology. Chapter 34 of Agenda 21 contained innovative recommendations for the financing of transfers of environmentally sound technology on concessional and preferential terms which afforded a useful basis for work on the broader issue of the code of conduct.

7. Mr. BATA'ANISIA (Solomon Islands), speaking on the specific problems and needs of island developing countries on behalf of the nine members of the South Pacific Forum that were members of the United Nations (Australia, Federated States of Micronesia, Fiji, Marshall Islands, New Zealand, Papua New Guinea, Samoa, Solomon Islands and Vanuatu), said that the decision reached at Rio de Janeiro to convene the first Global Conference on the Sustainable Development of Small Island Countries in 1993 should spur efforts to identify and implement strategies to help islands develop on a sustainable basis into the twenty-first century. The Food and Agriculture Organization meeting on small island countries to be held in Apia in late 1993 would provide an important opportunity to continue that work.

8. Recognizing that small island developing States, and islands supporting small communities, constituted a special case, Agenda 21 requested international organizations to recognize the special needs of such countries, and to provide appropriate assistance as a priority. Over the years, the United Nations Conference on Trade and Development (UNCTAD) had helped to put the special needs of island developing countries on the international agenda. The report of the Secretary-General (A/47/414) showed that such countries faced a dilemma in seeking to attain sustainable development: on the one hand, economic development patterns imposed pressures on the environment, while, at the same time, preservation of environmental assets was critical to growth in key economic sectors. The report rightly highlighted the individual responsibilities of island States for achieving sustainable development. Island countries recognized the importance of putting in place effective

(Mr. Bata'Anisia, Solomon Islands)

domestic economic policies to obtain optimal use of resources. However, they were also aware of the impact of global macroeconomic trends on their open economies, and of their vulnerability to the actions of other more developed countries. The experience of the South Pacific Forum was that a concerted regional approach gave the small and relatively isolated island countries of the region a better chance to find solutions. Countries in the South Pacific had responded to environmental challenges by enhancing the role of the South Pacific Regional Environment Programme (SPREP), which played a key role in assisting and coordinating the environmental programmes of its members. South Pacific countries valued the linkages between SPREP and the United Nations system, and looked forward to their continued development in the aftermath of the United Nations Conference on Environment and Development. Effective links between SPREP and the Commission on Sustainable Development would be particularly important in that context.

9. The report noted that the changing international trading environment and the emergence of major regional economic groupings presented new threats to sustainable development. The Honiara meeting of the South Pacific Forum had recognized that more open and fairer trading conditions were a prerequisite for sustainable growth and development. The South Pacific countries thus strongly supported renewed efforts to resolve the difficulties currently facing the Uruguay Round.

10. Island developing countries were threatened by a large number of environmental scourges that could be addressed only at a global level. Climatic disruption and potential sea-level rise threatened the very existence of some low-lying atolls. Concern to avoid the catastrophic effects of climate change and to conserve the wealth of species and fragile ecosystems of island developing countries underlay South Pacific countries' commitment to the Framework Convention on Climate Change and the Convention on Biological Diversity. Freshwater resources in the South Pacific were also under threat. Recognition of the importance of those resources in Agenda 21 and the decision to prepare a convention on combating desertification and drought were thus timely.

11. Overexploitation of resources in the high seas had a devastating impact on resources within exclusive economic zones. South Pacific countries thus welcomed the decision taken at Rio de Janeiro to convene a conference to address problems relating to the conservation and management of living marine resources, since the ocean represented the major resource base for the development of many island and coastal States, especially those in the South Pacific, which had very high ratios of sea to land.

12. South Pacific countries' close interest in the current debate and forthcoming resolution on the special problems and needs of island developing countries came from the heart, for unsustainable development threatened not only the livelihood of island people, but also the islands themselves and the cultures they nurtured.

13. Mr. BORBON (Costa Rica), speaking also on behalf of El Salvador, Guatemala, Honduras, Nicaragua and Panama, said that the States of Central America attached great importance to strengthening and improving relations between the United Nations organizations and the Bretton Woods institutions, so as to enable the former to focus their activities on areas in which they had a comparative advantage. That approach had been reiterated in the High-level Segment of the most recent session of the Economic and Social Council.

14. The report by the Secretary-General of the United Nations Conference on Trade and Development (A/47/398) confirmed how firmly rooted were the various factors that had led to the current world commodity crisis, such as constant pressure for supply to exceed demand, the sharp fall in real prices of commodities, periodic deficits in the export earnings of developing countries and the increasing, or at least constant, dependence of producer countries on commodity exports on the part, as well as the need to improve management of natural resources so as to protect the environment.

15. The case of Costa Rica was typical of the predicament facing other countries of the region. In 1991, exports of bananas had represented 35 per cent of Costa Rica's agricultural exports and 25 per cent of its total exports, and had thus been the main source of foreign exchange, generating a total of $400 million. Over the past six months, along with the other members of the Union of Banana Exporting Countries (UPEB) and Ecuador, Costa Rica had expressed its opposition to the attempts by the European Economic Community to impose quotas and tariffs on imports from Latin America from 1993 with a view to protecting banana production for the Community by the ACP countries. The attempts at negotiation had culminated in a request by Costa Rica that the Director-General of the General Agreement on Tariffs and Trade (GATT) should use his good offices to seek a solution to the conflict, and, on 19 October 1992, in a final attempt by the UPEB countries and Ecuador to find a solution within the framework of the norms and disciplines of GATT. Should the European Economic Community persist in its stance, Costa Rica and the Latin American countries would face an uncertain economic future in which their development goals were jeopardized.

16. With regard to coffee, in July 1989 the International Coffee Organization (ICO) had suspended the quota system for exports of coffee beans, resorting to the workings of the free market. That unfortunate decision had led to a drastic reduction in producer prices, while the price to consumers had remained unchanged. The producer price of coffee had fallen by almost 70 per cent between 1986 and August 1992, and now stood at its lowest level for 20 years. Over the same period, the consumer price had increased. An effort was thus being made to secure a single market including both members and non-members of ICO, as a means of avoiding irregularities in the market for the product. Consideration was also being given to the possibility of re-establishing the quotas laid down in the International Coffee Agreement or regulating the market through control of surpluses. The coffee producers were seeking a joint formula on prices of coffee beans, and also considering the possibility of establishing a new international agreement, including an

(Mr. Borbon, Costa Rica)

appropriate quota system or utilizing a mechanism for holding back a significant part of exportable supply. Such an agreement would have to be supported by both coffee-producing and coffee-consuming countries.

17. The developing countries of Central America were faced with an uncertain future. The consolidation of world economic blocs would unfortunately bring with it not only benefits but also the erection of external barriers. That process could be seen in the North American Free Trade Area, the European and Asian Communities, and to some extent in Eastern Europe. Faced with that situation, where were the countries of Latin America and the Caribbean to turn? In the circumstances, they had no alternative but to join forces, overcome old divisions, build bridges and integrate systems so as to make South-South cooperation a reality.

18. Mr. BEN SADEK (Libyan Arab Jamahiriya) said that just economic relations were the only sure guarantee of effective international cooperation. Although there had been great hope that the international political developments following the end of the cold war would be accompanied by enhanced international economic cooperation, economic growth had not kept at pace with those developments. The World Economic Survey 1992 showed that despite the events of historic importance for the world economy witnessed in 1991, world output had declined for the first time since the Second World War and the economies of developing and developed countries alike had slumped. The unjust world economic situation had also continued to have a deep impact on a number of economies, particularly those of the developing countries.

19. Economic growth in the developing countries had continued to stagnate owing to protectionism, low commodity prices, the reverse transfer of resources and the worsening of the external debt crisis. Economic difficulties had been further exacerbated by the arbitrary measures taken by the developed countries for purposes of political and economic coercion. Such practices were incompatible with the provisions of the United Nations Charter and of international law, and they were contrary to the resolutions of the General Assembly and to the Charter of Economic Rights and Duties of States. There was a most pressing need for concerted efforts by the international community to halt the imposition of such measures because of their negative impact on the economies of developing countries, on international cooperation and on international trade as a whole.

20. More than six years ago, trade restrictions had been imposed on the Libyan Arab Jamahiriya and its assets had been frozen. Those measures had been successively renewed and remained in force at the present time, and their adverse impact had been increased by the measures more recently imposed on the country, which had caused the Libyan people human suffering and material harm, had lowered standards of living and had retarded growth.

(Mr. Ben Sadek, Libyan Arab Jamahiriya)

21. The implementation of economic reform programmes by the developing countries had achieved no appreciable progress in the field of development and had had many adverse economic and social consequences owing to the absence of appropriate support from the international community and the other factors that had hampered their economic growth. To establish a just and fair economic order, it was necessary to abolish customs barriers, lift economic embargo measures, release the assets of developing countries frozen in the banks of certain developed countries, abolish protectionism, improve the regulation of international commodity markets in order to mitigate the effects of price fluctuations and falling rates of trade and halt the transfer of resources from the developing countries to the developed countries.

22. The United Nations, as the major forum for the discussion of global economic problems and international social and humanitarian issues, must play its role to the full in order to promote economic and social growth in the developing countries and eliminate imbalance in the world economy.

23. Mr. McDONALD (European Economic Community) said that issues of trade and development were of particular importance for developing countries, since increased trade was one of the most effective means of attaining development.

24. The 1990s promised to be a highly challenging period. Market-oriented reforms were under way in many countries, including those in Central and Eastern Europe, and regional economic integration was spreading from Western Europe and North America through Latin America and Asia. The economic situation of the least developed countries, especially in Africa, and the quality of the natural environment both demanded increased attention. At the same time, world economic growth had been slowing for three consecutive years and only moderate recovery was forecast in the medium-term.

25. A stronger world economic recovery would raise trade growth and, conversely, stronger world trade growth would enhance the prospects for world economic recovery. Changes vital to trade and output growth in the 1990s included continuing economic reform in a broad cross-section of countries, preventing a return to high inflation rates in the industrial countries, continued liberalization of capital flows, reversing the decline in national savings rates in the major industrial and developing nations and maintaining and strengthening the open multilateral trading system, inter alia, through a successful conclusion of the Uruguay Round.

26. One encouraging aspect of the recent overall trade picture was that the developing economies, as a group, had posted export and import growth above the world average. Some of the increase in export performance was undoubtedly due to the process of domestic and economic reform and to the reduction in trade barriers undertaken by those countries in recent years. Advances in free trade agreements in Latin America would also have an important impact on the world economy. Another important phenomenon had been the change in

(Mr. McDonald)

trading patterns in Central and Eastern Europe, where some of the larger economies had made important gains in trade with the industrialized countries of the West, in particular their neighbours in the European Community and the European Free Trade Association (EFTA). The association agreements signed by the Community and those countries provided a sound basis for trade improvement and would continue to do so in the future in a progressive manner.

27. The development of trading arrangements of that kind was a positive factor in terms of the world economy. The greater integration of markets at the regional level could only stimulate trade, as long as it complied with GATT rules. The multilateral framework which it provided ensured a parallel opening of markets at the global level. For example, various stages in the development of the Community had been accompanied by a parallel effort at the multilateral level to ensure a balanced opening of trade and marketing opportunities between external and internal liberalization.

28. The increase in regional arrangements and the opening up of the centrally planned economies of Central and Eastern Europe had created concern among the developing countries about the structural adjustment that might be entailed. Such concerns were exaggerated; experience showed that regional arrangements were trade-creating and had a market-opening momentum built into them. Similarly, the former centrally planned economies' immense medium-term need for imports would benefit the world trading system.

29. The Community had also sought to meet the challenge of the developing countries, and the least developed in particular, through a series of agreements and instruments, such as the Lomé Convention, STABEX, and the Generalized Special Preference Scheme. The industrialized countries needed to make a particular effort to improve market access for developing country exports. Further progress in meeting their needs would be made in the Uruguay Round.

30. With the reforms initiated at Cartagena, UNCTAD had also embarked upon a new partnership, one built on dialogue rather than confrontation. The European Community and its member States were pleased with that development and would continue to support the reforms. With the increased focus on national policies, UNCTAD had come closer to offering practical advice that would be to the benefit of policy-makers in the developing countries. The further incorporation of the notion of sustainable development in UNCTAD's work was also welcome.

31. Ways would have to be sought to ensure that a proper balance was struck between the need for free trade and environmental protection. An effort should be made to ensure that environmental protection did not become protectionism, and there should be broad consensus on the solutions found in order to avoid unilateral action incompatible with international obligations.

(Mr. McDonald)

32. The Community was fully committed to an early conclusion of the Uruguay Round negotiations, and would continue to make efforts to achieve it. It was very concerned, however, that, if the United States Administration took unilateral sanctions on the oil seeds issue, the talks would break down. The GATT Council had recently withheld consent to the sanctions since it understood their implications for the success of the Round. It was particularly regrettable, in that context, that the United States of America had chosen to ignore that ruling.

33. The Community had made extensive efforts at internal reform in the agricultural sector and radical adjustments in the internal support mechanisms of the Common Agricultural Policy. However, it was important to maintain a balance in the Uruguay Round between all the sectors involved. The Community felt that that balance was not being struck in the GATT discussions and that more needed to be done in other sectors which were of importance to industrial and service exporters. It remained convinced, however, that the Round must not be allowed to fail. The necessary compromises must be found, with all the participants contributing according to their means.

34. Mr. CABRAL (Guinea-Bissau) said that the Cartagena Commitment heralded a new partnership in approaching development problems, especially those linked to international trade.

35. Unfortunately, the persistently negative trends that had long affected the developing countries' economies were now accompanied by signs of an emergency trade war between two important agents of international trade against the background of the still uncompleted Uruguay Round. The prospects for long-term growth and development would inevitably be compromised unless the imbalances in the major industrialized countries were appropriately dealt with, the trend towards protectionism resisted and a solution found to the urgent problems of the least developed countries.

36. It was time for UNCTAD to be given the means to fulfil the functions for which it had been established. Its role as a forum for dialogue and negotiation and as a coordinator of national economic policies must be strengthened. Bilateralism, which had sometimes seemed to offer a solution, had instead contributed to the progressive deterioration of the international trading system. The erosion of UNCTAD and GATT, which had harmed virtually all the members of the international community, had had devastating consequences for the developing countries. The new impetus provided by the Cartagena Conference must be used for the benefit of a real world partnership in building an economic order compatible with the new international situation.

37. Such a partnership was especially vital for the developing countries, given the negative impact of the adjustment programmes which most of them had been forced to undertake and the new challenges posed by democratization, in Africa particularly. The future of that continent and its capacity to play a more active role in world development would largely depend on the results of

(Mr. Cabral, Guinea-Bissau)

those policies and on the measures put into effect in that framework. After the sacrifices and changes they had already made, the developing countries had no further margin for manoeuvre. Socio-economic indicators revealed a marked decline in their economic performance and sharply deteriorating living standards, all of which put a strain on their social and political fabric.

38. Mere recognition of the trend towards increasing interdependence was no longer enough. The necessary conclusions must be drawn regarding to the political and economic decisions that needed to be taken and the measures adopted to restore confidence in the international trading and monetary systems, based on justice and the equal rights and obligations of States. A universal system of international economic security was a necessary condition for expanded cooperation.

39. The current tension in world economic affairs, aggravated by the uncertainties affecting the Uruguay Round, could be considerably mitigated by the firm implementation of the resolutions of the General Assembly, the Economic and Social Council and UNCTAD on the restructuring of international economic relations on a just and democratic basis.

40. In that connection, his delegation welcomed the encouraging message from Cartagena as well as the Secretary-General's reports on development and international economic cooperation, in particular the progress report on strengthening international organizations in the area of multilateral trade (A/47/410) and the report on the specific problems and needs of island developing countries (A/47/414 and Add.1). It hoped that the draft resolutions on trade and development, in particular those proposed by the Group of 77 (A/C.2/47/L.9, L.10 and L.16), would be adopted unanimously.

41. Mr. ALMANI (Oman) said that the end of the cold war, progress made in the settlement of regional disputes and increasing international cooperation and economic interdependence had created the opportunity to revive international cooperation for development and create better conditions for the integration of the developing countries in the world economy.

42. The eighth session of UNCTAD had represented a turning point in the history of the Organization, and its final document, "A New Partnership for Development: the Cartegena Commitment", embodied a new international consensus in the field of trade and development, emphasized the important role of the United Nations in the international trade system and laid down general policy goals for the international community. It had been agreed that UNCTAD was the most appropriate focus for coordination within the United Nations system for an integrated approach to development and to related issues in the fields of trade, finance, investment, services and technology for the benefit of all countries, in particular the developing countries.

43. The establishment of an international trading system that was coordinated, sound and non-discriminatory and that protected competition, encouraged open markets and created better conditions for the genuine

(Mr. Almani, Oman)

integration of the developing countries into the world economy provided the only chance for a balanced and positive outcome to the Uruguay Round that would take account of the interests of all parties, and particularly of the needs of the developing countries. The new international consensus would encourage cooperation among all countries as a means of increasing collective self-sufficiency and promoting sustainable development at the national, regional and world levels.

44. Mr. Balzan (Malta), Rapporteur, took the Chair.

45. Mr. PURSOO (Grenada), speaking on behalf of the 12 member States of the Caribbean Community (CARICOM), associated the Caribbean Community with the statement made by the Chairman of the Group of 77, and expressed its appreciation of the Secretary-General's report on the specific problems and needs of island developing countries (A/47/414 and Add.1).

46. In addition to the general problems facing developing countries, island developing countries had specific characteristics which adversely affected their ability to achieve sustainable development. For small island developing countries particularly, the difficulties presented by their size, remoteness and proneness to natural disaster rendered their economies very vulnerable to forces outside their control, thus bringing their economic viability into question.

47. The criteria by which the economic well-being of island developing countries was judged, however, tended to conceal their disadvantages. GNP per capita, the indicator generally used to measure the level of development of island developing countries, did not by itself adequately capture their vulnerability to outside forces nor the handicaps with which they must contend, such as high infrastructure costs, problems associated with transport and communications, limited domestic markets, great distance from relevant market centres, lack of natural resources, weak technological capacity, heavy dependence on imports, problems of fresh water supply, fragile ecosystems, outward migration and heavy financial burdens.

48. In the absence of an index that would capture those disadvantages more accurately, several island developing countries had lost financial and technical assistance because of their relatively over-rated GNP per capita ranking. That situation further frustrated and hampered their development prospects. In that connection, he commended the work being done at the University of Malta towards the construction of an index for ranking countries according to economic vulnerability.

49. Political stability was an important prerequisite for sustainable development. The member States of CARICOM were pleased with the firmness of their democratic institutions, but were deeply aware of the need for greater international cooperation to support the efforts of governments to strengthen institutional structures, combat unemployment and provide safety net

(Mr. Pursoo, Grenada)

arrangements, especially during structural adjustment. That was particularly true of small island developing countries where, in the absence of a strong private sector, Governments were increasingly looked to for the fulfilment of their people's expectations.

50. Against the background of rapid developments in the international economic environment and their fear that the countries of the Caribbean were in danger of becoming marginalized, the Heads of Government of the Caribbean Community had agreed to pursue the strengthening of regional integration. At the same time, they were seeking opportunities to bolster their relatively small, open and dependent economies against the volatile economic conditions of the 1990s.

51. The CARICOM States had thus been reshaping the Community's development thrust to take better advantage of the opportunities of the 1990s. In that context, they wished to register their appreciation of the existing agreements and arrangements which assisted their small island economies as a group. Such arrangements included the CARICOM/Venezuela Trade and Investment Agreement, CARIBCAN with Canada, the Lomé Convention with the European Economic Community, and the Caribbean Basin Initiative and the Enterprise for the Americas with the United States.

52. The export of bananas under the Lomé Convention was the single most important source of foreign exchange of several CARICOM member States. That arrangement was currently threatened by lobbies whose negotiating leverage in international forums far outweighed their own. Such concessional assistance was vital to small island developing countries, whose limited resources and intrinsic disadvantages left them very few economic development options in the short and long term.

53. The fragile ecosystems of island developing countries were under constant threat from environmental degradation. Their coastlines, and sometimes entire islands, were in danger of submergence from rising sea levels due to global warming. Most island countries of the Caribbean relied on tourism for foreign exchange. Given the importance of the environment to that sector, even a minimal deterioration could have a severe negative impact on the total economy. Those countries were deeply concerned over their inability to monitor the marine environment effectively and to analyse the effects of changes. That lack of capacity deepened their dependence on external sources for cooperation and assistance in preserving and protecting their ecosystems.

54. The member States of CARICOM expressed their appreciation to the donor countries, organizations and bodies within and outside the United Nations that had recognized and responded to the special needs of island developing countries. They also expressed appreciation to the Secretary-General of UNCTAD for his initiative in convening the July 1992 meeting of the expert group on island developing countries.

55. Mr. Guerrero (Philippines), Vice-Chairman, resumed the Chair.

56. Mr. KARSLIOGLU (Turkey) said that it was universally agreed that free trade was essential for the healthy development of the global economy. In practice, however, free trade had remained difficult to attain.

57. The sluggish economies of the developed countries and the difficult transition of the European centrally planned economies to a market system had had an adverse effect on the world economy. At the same time, falling commodity prices and massive foreign debt, combined with structural problems, had continued to hamper the economic growth of the developing countries.

58. Despite the unfavourable international environment, Turkey had been able to press on with its structural adjustment policies. It was currently pursuing a determined process of privatization. It was well aware that, to achieve a healthy economy with adequate growth, integration with the world trading system was essential. It was also aware that that system must be healthy and growing for the benefit of all. It was still hopeful that the GATT negotiations would be successful. At the current stage, nothing could be more damaging than a trans-Atlantic trade war.

59. In 1992, Turkey had taken great strides in establishing closer trading links with EFTA. Its trade relations with its chief trading partner, the European Economic Community, had also continued to develop and its objective was to establish a customs union with the Community during the 1990s.

60. Turkey had also been making an effort to assist the newly independent States in the Caucasus and Central Asia to integrate with the world trading system following the break-up of the Soviet Union. Aware of its responsibilities in the region, Turkey was also seeking to promote greater cooperation among the countries of the Black Sea basin. It was confident that the Black Sea Economic Cooperation Organization would become an important example of regional cooperation. The new body, established in June 1992 by the Heads of State of Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Republic of Moldova, Romania, Russian Federation, Ukraine and Turkey, aimed to strengthen the trade ties of those countries with one another and the rest of the world. By encouraging trade among its member States, most of which were undergoing a painful period of transition, Turkey was facilitating enhanced trade links with other countries and trading groups. It was convinced that economic cooperation would contribute to peace and security.

61. In the same vein, Turkey had been encouraging the expansion of the Economic Cooperation Organization, currently grouping Azerbaijan, the Islamic Republic of Iran, Pakistan, Turkmenistan, Uzbekistan and Turkey, to the other newly independent Central Asian republics.

62. His delegation was convinced that vigorous growth and sustained development could be strengthened by free international trade and a substantial reduction of tariffs. Such policies would help the developing countries more than financial aid.

Draft resolution on assistance to Yemen (A/C.2/47/L.11)

63. Mr. AHMIA (Algeria) said that Costa Rica, India, Nepal, Sri Lanka and Viet Nam had joined the sponsors of the draft resolution on assistance to Yemen.

The meeting rose at 7.30 p.m.